- Domestic stocks. You own part of a U.S. company.
- Mutual funds. Instead of investing directly in stocks, bonds, or real estate, for example, you can use mutual funds. These pool your money with money of other shareholders and invest it for you. A stock mutual fund, for example, would invest in stocks on behalf of all the fund's shareholders. This makes it easier to invest and to diversify your money.

Choosing where to put your money. How do you decide where to put your money? Look back at the short-term goals you wrote down earlier — a family vacation, perhaps, or the down payment for a home. Remember, you should always be saving for retirement. But, for goals you want to happen soon — say within a year — it's best to put your money into one or more of the cash equivalents — a bank account or CD, for example. You'll earn a little interest and the money will be there when you need it.

For goals that are at least 5 years in the future, however, such as retirement, you may want to put some of your money into stocks, bonds, real estate, foreign investments, mutual funds, or other assets. Unlike savings accounts or bank CDs, these types of investments typically are not insured by the federal government. There is the risk that you can lose some of your money. How much risk depends on the type of investment. Generally, the longer you have until retirement and the greater your other sources of income, the more risk you can afford. For those who will be retiring soon and who will depend on their investment for income during their retirement years, a low-risk investment strategy is more prudent. Only you can decide how much risk to take.

Why take any risk at all? Because the greater the risk, the greater the potential reward. By investing carefully in such things as stocks and bonds, you are likely to earn significantly more money than by keeping all of your retirement money in a savings account, for example.

The differences in the average annual returns of various types of investments over time is dramatic. Since 1926, the average annual return of short-term U.S. Treasury bills, which roughly equals the return of other cash equivalents such as savings accounts, has been 3.8 percent. The annual return of long-term government bonds over the same period has been 5.3 percent. Large-company stocks, on the other hand, while riskier in the short term, have averaged an annual return of 11.2 percent.

Let's put that into dollars. If you had invested $1 in Treasury bills in 1926, that $1 would have grown to approximately $15 today. However, inflation, at an annual average of 3.1 percent, would have eaten $9 of that gain. If the $1 had been invested in government bonds, it would have grown to $44. But invested in large-company stocks, it would have grown to over $2,300. None of these rates of returns is guaranteed in the future, but they clearly show the relationship between risk and potential reward.

Many financial experts feel it is important to save at least a portion of your retirement money in higher risk — but potentially higher returning — assets. These higher risk assets can help you stay ahead of inflation, which eats away at your nest egg over time.

Which assets you want to invest in, of course, is your decision. Never invest in anything you don't thoroughly understand or don't feel comfortable about.

Reducing investment risk. There are two main ways to reduce risk. First, diversify *within* each category of investment. You can do this by investing in pooled arrangements, such as mutual funds, index funds (i.e., stocks), and bank products sold by reliable professionals. These investments typically give you a small share of different individual investments and will allow you to spread your money among many stocks, bonds and other financial instruments, even if you don't have a lot of money to invest. Your risk of losing money is less than if you buy shares in only a few individual companies. Distributing your investments in this way is called *diversification*.

Second, you can reduce risk by investing *among* categories of investments. Generally speaking, you should put some of your money in cash, some in bonds, some in stocks, and some in other investment vehicles. Studies have shown that once you have diversified your investments within each category, the choices you make about how much to put in these major categories is the most important decision you will make and should define your investment strategy.

Why diversify? Because at any given time one investment or type of investment might do better than another. Diversification lets you manage your risk in a particular investment or category of investments and decreases your chances of losing money. In fact, the factors that can cause one investment to do poorly may cause another to do well. Bond prices, for example, often go down when stock prices are up. When stock prices go down, bonds have often increased in value. Over a long time — the time you probably have to save for retirement — the risk of losing money or earning less than you would in a savings account tends to decline.

By diversifying into different types of assets, you are more likely to reduce risk, and actually improve return, than by putting all of your money into one investment or one type of investment. The familiar adage “Don’t put all your eggs in one basket” definitely applies to investing.

Deciding on an investment mix. How you diversify — that is, how much you decide to put into each type of investment — is called asset allocation. For example, if you decide to invest in stocks, how much of your retirement nest egg should you put into stocks: 10 percent … 30 percent … 75 percent? How much into bonds and cash? Your decision will depend on many factors: how much time you have until retirement, your life expectancy, the size of your current nest egg, other sources of retirement income, how much risk you are willing to take, and how healthy your current financial picture is, among others.

Your asset allocation also may change over time. When you are younger, you might invest more heavily in stocks than bonds and cash. As you get older and enter retirement, you may reduce your exposure to stocks and hold more in bonds and cash. You also might change your asset allocation because your goals or financial circumstances have changed.

THE POWER OF COMPOUNDING

Regardless of where you choose to put your money — cash, stocks, bonds, real estate, or a combination of places — the key to saving for retirement is to make your money work for you. It does this through the power of compounding. Compounding investment earnings is what can make even small investments become larger given enough time.

Facts Women Should Know About Preparing for Retirement

Women face challenges that often make it more difficult for them than men to adequately save for retirement. In light of these challenges, women need to pay special attention to making the most of their money.

- Women tend to earn less than men and work fewer years.
- Women tend to change jobs or work part-time more often, and they interrupt their careers to raise children. Consequently, they are less likely to qualify for company-sponsored retirement plans or receive the full benefits of those plans.
- On average, women live 5 to 7 years longer than men, and thus need to build a larger retirement nest egg for themselves.
- Some studies indicate women tend to invest less aggressively than men.
- Women are less likely to be financially informed than men.
- Women tend to lose more income than men following a divorce.
- Women are twice as likely as men during retirement to receive income below the poverty level.

For more information, call the **Pension and Welfare Benefits Administration** at **(800) 998-7542** and ask for the booklets ***Women and Retirement Savings*** and ***QDROs: The Division of Pensions through Qualified Domestic Relations Orders*** (for example, divorce orders). Also call the **Social Security Administration at (800) 772-1213** for their booklet ***Social Security: What Every Woman Should Know,*** or visit the agency’s Website at **www.ssa.gov.**

You're probably already familiar with the principle of compounding. Money you put into a savings account earns interest. Then you earn interest on the money you originally put in, *plus* on the interest you've accumulated. As the size of your savings account grows, you earn interest on a bigger and bigger pool of money.

The chart below provides an example of how an investment grows at different annual rates of return over different time periods. Notice how the amount of gain gets bigger each 10-year period. That's because money is being earned on a bigger and bigger pool of money.

Also notice that when you double your rate of return from 4 percent to 8 percent, the end result after 30 years is over *three* times what you would have accumulated with a 4 percent return. That's the power of compounding!

The real power of compounding comes with time. The earlier you start saving, the more your money can work for you. Look at it another way. *For every 10 years you delay before starting to save for retirement, you will need to save three times as much each month to catch up.* That's why no matter how young you are, the sooner you begin saving for retirement, the better.

POWER OF COMPOUNDING

Value of $1,000 compounded at various rates of return over time

Years	4%	6%	8%	10%
10	$1,481	$1,791	$2,159	$2,594
20	$2,191	$3,207	$4,661	$6,728
30	$3,243	$5,743	$10,063	$17,449

USING EMPLOYER-BASED RETIREMENT PLANS

Does your employer provide a retirement plan? If so, say retirement experts . . . grab it! Employer-based plans are the most effective way to save for your future. What's more, you'll gain certain tax benefits.

Employer-based plans come in one of two varieties (some employers provide both): defined benefit and defined contribution.

Defined Benefit Plans. These plans pay a lump sum upon retirement or a guaranteed monthly benefit. The amount of payout is typically based on a set formula, such as the number of years you have worked for the employer times a percentage of your highest earnings on the job. Usually the employer funds the plan — commonly called a pension plan — though in some plans workers also contribute. Most defined benefit plans are insured by the federal government.

Defined Contribution Plans. The popular 401(k) plan is one type of defined contribution plan. Unlike a defined benefit plan, this type of savings arrangement does not guarantee a specified amount for retirement. Instead, the amount you have available in the plan to help fund your retirement will depend on how long you participate in the plan, how much is invested, and how well the investments do over the years. The federal government does not guarantee how much you accumulate in your account, but it does protect the account assets from misuse by the employer.

In the past 20 years, defined contribution plans have become more common than traditional pension plans. Employers fund some types of defined contribution plans, though the amount of their contributions is not necessarily guaranteed.

Workers with a pension are more likely to be covered by a defined contribution plan, usually a 401(k) plan, rather than the traditional defined benefit plan. In many defined contribution plans, you are offered a choice of investment options, and *you* must decide where to invest your contributions. This shifts much of the responsibility for retirement planning to workers. Thus, it is critical that you choose to contribute to the plan once you become eligible (usually after working full-time for a minimum period) and that you choose your investments wisely.

Tax Breaks. Even though you typically are responsible for funding a defined contribution plan, you receive important tax breaks. The money you invest in the plan and the earnings on those contributions are deferred from income tax until you withdraw the money (hopefully not until retirement). Why is that important? Because postponing taxes on what you earn allows your nest egg to grow faster. Remember the power of compounding? The larger the amount you have to compound, the faster it grows. Even after the withdrawals are taxed, you typically come out ahead.

The tax deduction also means that the decline in your take-home pay, because of your contribution, won't be as large as you might think. For example, let's assume you are thinking about putting $100 into a retirement plan each month and that the rate you pay on income taxes is 15 percent. If you don't put that $100 into a retirement plan, you'll pay $15 in taxes on it. If you put in $100, you postpone the taxes. Thus, your $100 retirement plan contribution would actually reduce your take-home pay by only $85. If you're in the 27 percent tax bracket, the cost of the $100 contribution is only $73. This is like buying your retirement at a discount.

How to Make the Most of a Defined Contribution Plan

- **Study your employee handbook and talk to your benefits administrator to see what plan is offered and what its rules are. Read the summary plan description for specifics. Plans must follow federal law, but they can still vary widely in contribution limitations, investment options, employer matches, and other features.**
- **Join as soon as you become eligible.**
- **Put in the maximum amount allowed.**
- **If you can't afford the maximum, try to contribute enough to maximize any employer matching funds. This is free money!**
- **Study carefully the menu of investment choices. Some plans offer only a few choices, others may offer hundreds. The more you know about the choices, investing, and your investment goals, the more likely you will choose wisely.**
- **Many companies match employee contributions with stock instead of cash. Financial experts often recommend that you don't let your account get overloaded with company stock, particularly if the account makes up most of your retirement nest egg. Too much of a single stock increases risk.**
- **Plan fees and expenses reduce the amount of retirement benefits you ultimately receive from plans where you direct the investments. It's in your interest to learn as much as you can about your plan's administrative fees, investment fees, and service fees. Read the plan documents carefully. For more information on fees, call the PWBA Publication Hotline at (800) 998-7542 and request the booklet *A Look at 401(k) Plan Fees*.**

Vesting Rules. Any money you put into a retirement plan out of your pay, and earnings on those contributions, always belong to you. However, contrary to popular belief, employees don't always have immediate access to the money their employer puts into their pension fund or their defined contribution plan. Under some plans, such as a traditional pension plan or a 401(k), you have to work for a certain number of years — say five — before you become "vested" and can receive benefits. Some plans vest in stages. Other defined contribution plans, such as the SEP and the SIMPLE IRA, vest immediately. You have access to the employer's contributions the day the money is deposited. No employer

CAUTION

- Don't borrow from your retirement plan or permanently withdraw funds before retirement unless absolutely necessary.
- Your retirement plan may allow you to borrow from your account, often at very attractive rates. However, borrowing reduces the accounts earnings, leaving you with a smaller nest egg. Also, if you fail to pay back the loan, you could end up paying income taxes and penalties. As an alternative, consider budgeting to save the needed money or pursue other affordable loan options.
- Also avoid permanently withdrawing funds before retirement. This often happens when people change jobs. According to a study by the Employee Benefits Research Institute and Hewitt Associates, only 40 percent of workers changing jobs rolled over into an IRA or a new employer's retirement plan the money they received from their former employer's retirement plan. They spent 6 out of every 10 dollars, rather than letting it grow in another plan or IRA.
- Pre-retirement withdrawals reduce the ultimate size of your nest egg. In addition, you'll probably pay federal income taxes on the amount you withdraw (10 percent to as high as 39.1 percent) and a 10 percent penalty may be tacked on if you're younger than age 59-1/2. In addition, you may have to pay state taxes. If you're in a SIMPLE IRA plan, that early-withdrawal penalty climbs to 25 percent if you take out money during the first two years you're in the plan.

can require you to work longer than seven years before you become vested in your pension benefit.

Be aware of the vesting rules in your employer's plan.

Make sure you know when you're vested. Changing jobs too quickly can mean losing part or all of your pension plan benefits or, at the very least, your employer's matching contributions.

Retirement Plan Rights. The federal government regulates and monitors company retirement plans. The vast majority of employers do an excellent job in complying with federal law. Unfortunately, a small fraction don't. For 10 warning signs and other information on protecting your pension rights, call the **Pension and Welfare Benefits Administration** (PWBA) at **(800) 998-7542** and request the booklet ***Protect Your Pension.***

TYPES OF DEFINED CONTRIBUTION PLANS

The following are some of the most common types of defined contribution plans. For a more detailed description and comparison of some of these plans, go to the Website **www.dol.gov/dol/pwba** and click on the **Small Business Retirement Savings Advisor.**

401(k) Plan. This is the most popular of the defined contribution plans and is most commonly offered by larger employers. Employers often match employee contributions.

403(b) Tax-Sheltered Annuity Plan. Think of this as a 401(k) plan for employees of school systems and certain nonprofit organizations. Investments are made in tax-sheltered annuities or mutual funds.

SIMPLE IRA. The Savings Incentive Match Plan for Employees of Small Employers is one of the newest types of employer-based retirement plans. There is also a 401(k) version of the SIMPLE.

Profit-Sharing Plan. The employer shares company profits with employees, usually based on the level of each employee's wages.

ESOP. Employee stock ownership plans are similar to profit-sharing plans, except that an ESOP must invest primarily in company stock. Under an ESOP, the employees share in the ownership of the company.

SEP. Simplified employee pension plans are used by both small employers and the self-employed.

Other retirement plans you may want to learn more about include money purchase plans; 457 plans, which cover state and local government workers; and the Federal Thrift

Retirement Planning for Employees in Small Companies

Only about two out of every 10 small employers with fewer than 100 employees offer some type of retirement plan or pension to their employees. Many believe their workers prefer higher salaries or other benefits, and they believe the rules are too complex and the costs too high.

If you don't have a plan available at work, encourage your employer to start one.

Mention the following benefits:

- A retirement plan can attract and retain valued employees in a competitive labor market, as well as motivate workers.
- Establishing a retirement plan and encouraging employee participation can help employers fund their own retirement. Even after taking into account the cost of establishing an employee plan, they may still be better off than funding retirement on their own.
- Some plans cost less and have fewer administrative hassles than employers may realize. Alternatives to traditional defined benefit plans and the 401(k) include the SIMPLE and the SEP.

For more information, contact the PWBA at (800)998-7542 and request *Savings Incentive Match Plans for Employees of Small Employers, Simplified Employee Pensions: What Small Businesses Need to Know,* and *Easy Retirement Solutions for Small Businesses.*

Savings Plan, which covers federal employees. If you are eligible, you may also want to open a Roth IRA.

WHAT TO DO IF YOU CAN'T JOIN AN EMPLOYER-BASED PLAN

You may not be able to join an employer-based retirement plan because you are not eligible or because the employer doesn't offer one. Fortunately, there are steps you can still take to build your retirement strength.

Take a job with a plan. If two jobs offer similar pay and working conditions, the job that offers retirement benefits may be the better choice.

Start your own plan. If you can't join a company plan, you can save on your own.

You can't put away as much on a tax-deferred basis, and you won't have an employer match. Still, you can build a healthy nest egg if you work at it.

Open an IRA. You can put up to $2,000 a year into an individual retirement account on a tax-deductible basis if your spouse isn't covered by a retirement plan at work, or as long as your combined incomes aren't too high. This amount will increase to $3,000 for years 2002 through 2004. Persons who are 50 or older can contribute an additional $500 for years 2002 through 2005. You also can put the same amount tax-deferred into an IRA for a nonworking spouse if you file your income tax return jointly. (By the way, you don't have to put in the full amount; you can put in less.) With a traditional IRA, you delay income taxes on what you put in and on the earnings until you withdraw the money. With a Roth IRA, the money you put in is already taxed, but you won't ever pay income taxes on the earnings as long as the account is open at least 5 years.

Consider an annuity. An annuity is when you pay money to an insurance company in return for its agreement to pay either a regular fixed amount when you retire or an amount based on how much your investment earns. There is no limit on how much you can invest in a private annuity, and earnings aren't taxed until you withdraw them. However, annuities present complex issues regarding taxes, fees, and withdrawal strategies that may not make them the best investment choice for you. Consider discussing this type of investment first with a financial planner.

Build your personal savings. You can always save money on your own, either in mutual funds, stocks, bonds (such as U.S. Savings Bonds), real estate, CDs, or other assets. It's best to mark these investments as part of your retirement fund and don't use them for anything else unless absolutely necessary.

Investing in an IRA, an annuity, or in personal savings means you are totally responsible for directing your own investments. How conservatively or aggressively you invest is up to you. It will depend in part on how willing you are to take investment risks, your age, the stability of your job, and other financial needs. Learn as much as you can about investing and about specific investments you are considering. You also may want to seek the help of a professional financial planner.

WHAT TO DO IF YOU ARE SELF-EMPLOYED

Many people today work for themselves, either full-time or in addition to their regular job. They have several tax-deferred options from which to choose.

SEP. This is the same type of SEP described earlier under employer-based retirement plans. Only here, you're the employer and you fund the SEP from your earnings. You can easily set up a SEP through a bank, mutual fund, or other financial institution.

Keogh. Keoghs are more complicated to set up and maintain, but they offer more advantages than a SEP. For one thing, they come in several varieties. Some of the varieties allow you to sock away more money — sometimes a lot more money — than a SEP.

SIMPLE IRA. Described earlier under employer-based retirement plans, a SIMPLE IRA can be used by the self-employed. However, generally you can't save as much as you can with a SEP or Keogh.

IRA. Usually you are better off funding a SEP or a Keogh unless your self-employment income is small.

Annuities. See annuities under the section on "What to Do if You Can't Join an Employer-Based Plan" (see page 15).

MANAGING FOR A LIFETIME OF FINANCIAL GROWTH

As mentioned earlier, you probably will experience several major events in your life that can make it more difficult to start or keep saving toward retirement and other goals. The key is to have a clear plan, to stay focused on your goals, and to manage your money so that life events don't prevent you from keeping on target.

Here are a few suggestions for saving for retirement while financially managing some common life events.

Marriage. Getting married creates new financial demands that compete for retirement dollars, such as changing life insurance needs and saving to buy a home. But it's usually less expensive for two people to live together, thus freeing up dollars. Also, you probably still have time on your side. A spending plan is essential. Remember, every little bit helps.

Raising children. The U.S. Department of Agriculture estimates that it costs the average American family over $200,000 to raise a child to age 18. Furthermore, in some cases a

Tips on How to Save Smart for Retirement

- Start now. Don't wait. Time is critical.
- Start small, if necessary. Money may be tight, but even small amounts can make a big difference given enough time, the right kind of investments, and tax-favored vehicles such as company retirement plans, IRAs, and SEPs.
- Use automatic deductions from your payroll or your checking account for deposit in mutual funds, IRAs, or other investment vehicles.
- Save regularly. Make saving for retirement a habit.
- Be realistic about investment returns. Never assume that a year or two of high market returns will continue indefinitely. The same goes for market declines.
- Roll over retirement account money if you change jobs.
- Don't dip into retirement savings.

spouse may stay out of the workforce to raise children, thus cutting into income and the opportunity to fund retirement. Having a child may alter your major financial goals, but should never eliminate them. Make the best effort you can. Also, many financial planners stress that saving for retirement should have priority over saving for a child's college education. There are financial aid programs for college-bound students but not for retirement.

Changing jobs. It's estimated that the average worker changes jobs 10 times and careers three times in a working lifetime. Changing jobs often puts you at risk of not vesting in your current job, or a new job may not offer a retirement plan. Consider rolling money from an existing company retirement plan into a new company plan or an individual retirement account (IRA). Don't cash out and spend the money, however small the amount.

Divorce. It's important that you know the laws regarding your spousal rights to Social Security and pension benefits. Under current law, spouses and dependents have specific rights. Remember, retirement assets may well be the biggest financial asset in the marriage. Be sure to divide those assets carefully. It's also critical to review your overall financial situation before and after your divorce. Income typically drops for partners in the wake of a divorce, particularly for women.

Disability. A severe or long-lasting disability can undermine efforts to save for retirement. Although Social Security Disability benefits can help sustain a family if severe disability strikes, you may wish to explore the availability and cost of other forms of disability insurance.

Death. The premature death of a spouse can undermine efforts for the partner to save for retirement, particularly if there are dependent children. That's why it is important to check your Social Security statement to find out how much children will receive if a parent dies. Maintaining adequate life insurance is also important. Be sure that you have properly named the beneficiaries for any insurance policies, retirement plans, IRAs, and other retirement vehicles.

COPING WITH FINANCIAL CRISES

Life has a way of throwing unexpected financial roadblocks, detours and potholes in our path. These might be large medical bills, car or home repairs, a death in the family, loss of a job, or expensive legal problems. Such financial emergencies can derail your efforts to save for retirement or other goals. Here are some strategies for managing financial crises.

Establish an emergency fund. This can lessen the need to dip into retirement savings for a financial emergency. Building an emergency fund is tough if income is tight, but every few dollars help. Fund it with pay from extra working hours or a temporary job, a tax refund, or a raise. Put the money into a low-risk, accessible account such as a savings account or money market fund.

Insure yourself. Insurance protects your financial assets, such as your retirement funds, by helping to take care of the really big financial disasters. Here's a list of insurance coverage you should consider buying:

Health. If you and your family aren't covered under an employer's policy, at least try to buy catastrophic medical coverage on your own.

Disability. Did you know you are more likely before age 65 to miss at least three months of work because of a disability than you are to die? Social Security Disability Insurance can pay you and your family benefits if you are severely disabled and are expected to be so for at least 12 months. (Worker's compensation only helps if the disability is work-related.) In addition, your employer may offer some disability coverage, but you may need to supplement it with private coverage.

Renters. Homeowners usually are insured against hazards such as fire, theft, and liability, but the majority of renters aren't. Renter's insurance is inexpensive.

Automobile. Don't drive "bare." It's usually against the law to drive without auto coverage, to say nothing of being costly if you are in an accident.

Umbrella. This provides additional liability coverage, usually through your home or auto insurance policies, in the event you face a lawsuit.

Life. Having life insurance can help you or your spouse continue to save if either one of you dies before retirement. Social Security may be able to pay benefits to your spouse and/or minor children. On the other hand, you may not need life insurance if no one depends financially on you. There are many types of life insur ance, with a variety of fees and commissions attached.

Long-term care. This insurance can help pay for costly long-term health care either at home or in a health-care facility or nursing home. It protects you from draining savings and assets you otherwise could use for retirement.

Borrow. If you must borrow because of a financial emergency, carefully compare the costs of all options available to you.

Sell investments. It's usually advisable to sell taxable investments first. Try not to touch your faster growing retirement accounts. Taking money out of your retirement accounts could trigger income taxes and penalties.

MONITOR YOUR PROGRESS

Financial planning is not a one-time process. Life, your goals, tax laws, and your financial world have a way of changing, sometimes dramatically.

If You Choose to Work With a Financial Planner

You are the one ultimately responsible for the management of your own financial affairs. However, you may want additional help along the way from a professional financial planner. A professional planner can:

- Provide expertise you don't have.
- Help improve your current financial management.
- Save you time.
- Provide an objective perspective.
- Help you through a financial crisis.
- Motivate you to take action.

For more information, call the Certified Financial Planner Board of Standards at 1-888-237-6275 and request *Ten Questions to Ask When Choosing a Financial Planner.*

- Periodically review your spending plan.
- Monitor the performance of investments. Make adjustments if necessary.
- Make sure you contribute more toward your retirement as you earn more.
- Update your various insurance safety nets to reflect changes in income or personal circumstances.
- Keep your finances in order.

WHERE TO GO FROM HERE

You now realize that saving for your own retirement is critical and that it is primarily your responsibility. You may get help along the way, but most of the work is going to rest on your shoulders. No one will work harder or care more about your retirement and your other financial goals than you.

Look back on those 3"x 5" cards outlining your goals. Perhaps they seem more realistic now. Even if you can't do as much as you would like to right away, you can do something.

Think of this booklet as a starting point. Continue to educate yourself about managing your money and investing. Consider professional resources, as well, such as your benefits department, financial planners, and other financial experts who can help you not only with your financial questions, but, more importantly, can help motivate you into action.

Finally, there is only one real key to "buying" that retirement you've dreamed of. It doesn't matter whether you are still young or whether retirement is just around the corner. It doesn't matter whether you're in your first job, trying to save for a home, or putting a child through college.

All that matters is that you start saving...now!

RESOURCES

This publication is presented by the:

Pension and Welfare Benefits Administration
U.S. Department of Labor
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Web site: **www.dol.gov/dol/pwba**
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1700 Broadway, Suite 2100
Denver, CO 80290-2101

Web site: **www.CFP-Board.org**
Toll-free number: **1-888-237-6275**

Sample Financial Calculator Web Sites:
(mentioned on page 6)

www.kiplinger.com – Click on "Retirement."
www.moneymag.com – Click on "Retirement."
www.usnews.com – Click on "Retirement Calculator."
www.asec.org - Click on "Ballpark Estimate Worksheet."
www.nasd.com – Click on "Investor Services," then "Financial Calculators."
(Note: The sites above are only a sample of calculators available on the Web. The Department of Labor does not endorse a specific calculator or the products and services offered on these Web sites.)

Paying Off Your Credit Card Balance:
(mentioned on page 9)
Consolidated Credit Counseling Services, Inc.
www.debtfree.org

Other Web sources that highlight savings and retirement planning:

www.sec.gov
www.sec.gov/consumer/camp99/quiz.htm
www.sec.gov/oiea2.htm
The U.S. Securities and Exchange Commission (SEC) has developed an interactive quiz for students, "Test Your Money $marts." For those already in the stock market, check out the information on investing and consumer protection, listed under "Investor Education and Assistance."

Toll-free number for consumer information:
1-800-732-0330

www.ftc.gov
Check out the Federal Trade Commission's (FTC) section on "Consumer Protection," including a quiz on investment scams.

www.pueblo.gsa.gov
The Federal Consumer Information Center's (FCIC) site contains text versions of hundreds of consumer publications. See the "Money" section for a list of brochures on money management and retirement planning.

www.ssa.gov
Visit the Social Security Administration's Web site for these sites: "Access America for Seniors" and "Youth Link." You can also request a Personal Earnings and Benefits Estimate Statement to find out what your Social Security benefits will be.

www.irs.gov/ep
The IRS Web site provides information on retirement plans.

www.publicdebt.treas.gov
www.publicdebt.treas.gov/sav/savinvst.htm
www.savingsbonds.gov
The Department of Treasury's Web sites answer questions about interest rates, buying and cashing savings bonds, and taxes.

www.investoreducation.org
Investors of all ages can link to "Investing Basics" and the "Kid's Savings Calculator" on the Alliance for Investor Education (AIE) Web site.

www.aarp.org and **www.aarp.org/programs/retire/reaarp.html**
The American Association of Retired Persons (AARP) site provides advice on a host of retirement planning issues. Link to the "Retirement" section for a wealth of information.

www.nefe.org
Check out the "High School Financial Planning Program" at this site, sponsored by the National Endowment for Financial Education.

www.jumpstartcoalition.org
Jump$tart Coalition for Personal Financial Literacy offers a wealth of financial education materials aimed at grades K-12.

www.consumerfed.org
Links to investor education sites are among those offered on the Consumer Federation of America's Web site. You can also download information on "Teenage Consumers: Teaching Your Children How to Save and Spend" at **www.consumerfed.org/teachchild.pdf**

www.moneyopolis.org
This educational Web site for kids in grades 6 through 8 focuses on basic financial concepts. Also, it features interactive segments that demonstrate how much children can accumulate just by saving a little.

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